



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Sam Kazran, President
11-2001 LLC d/b/a
Hyundai of North Jacksonville
3333 North Main Street
Jacksonville, FL 32206

AUG 19 2009

RE: MUR 6054

Dear Mr. Kazran:

On June 23, 2009, the Federal Election Commission found that there is reason to believe you knowingly and willfully violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). This finding was based on information ascertained by the Commission in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). The Factual and Legal Analysis, which more fully explains the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Statements should be submitted under oath.

| In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

| If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name,

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address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Jack Gould, the attorney assigned to this matter, at (202) 694-1650.

On behalf of the Commission,


Steven T. Walther
Chairman

Enclosures
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

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4 **Respondent: Sam Kazran**

MUR 6054

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6 **I. INTRODUCTION**

7 This matter was generated based on information ascertained by the Federal Election
8 Commission ("Commission") in the normal course of carrying out its supervisory
9 responsibilities. See 2 U.S.C. § 437g(a)(2). The available information indicates that
10 11-2001 LLC d/b/a Hyundai of North Jacksonville ("HNJ") reimbursed nine individuals,
11 including employees and family members, for their contributions to Vern Buchanan for Congress
12 ("the Committee") totaling \$52,000. The reimbursements spanned a two-year period, from
13 November 2005 through December 2007.

14 **II. FACTUAL AND LEGAL ANALYSIS**

15 Sam Kazran is the president of HNJ. Mr. Kazran instructed HNJ employees to make
16 contributions to the Committee. The available information indicates that HNJ gave money to
17 employees to make contributions to the Committee in their own names and in the names of
18 family members.

19 The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits the
20 making of contributions in the name of another person. 2 U.S.C. § 441f. The Commission's
21 regulations also prohibit a person from knowingly assisting another person in making a
22 contribution in the name of another. See 11 C.F.R. § 110.4(b)(1)(iii).

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1 The Act also addresses violations that are knowing and willful. See 2 U.S.C.
2 § 437g(a)(5)(B). The phrase "knowing and willful" indicates that "acts were committed with full
3 knowledge of all the relevant facts and a recognition that the action is prohibited by law...."
4 122 Cong. Rec. H3778 (daily ed. May 3, 1976); see also *AFL-CIO v. FEC*, 628 F.2d 97-98, 101-
5 02 (D.C. Cir.), cert. denied, 449 U.S. 982 (1980) (noting that a "willful" violation includes "such
6 reckless disregard of the consequences as to be equivalent to a knowing, conscious, and
7 deliberate flouting of the Act," but concluding on the facts before it that this standard was not
8 met); *National Right to Work Comm. v. FEC*, 716 F.2d 1401, 1403 (D.C. Cir. 1983) (same). An
9 inference of knowing and willful conduct may be drawn "from the defendant's elaborate scheme
10 for disguising" his or her actions. *United States v. Hopkins*, 916 F.2d 207, 214-15 (5th Cir.
11 1990) (defendants were active in deciding how to reimburse employees with corporate funds for
12 their contributions).

13 HNJ president Sam Kazran, in a letter to the Commission requesting an extension of time
14 to retain counsel and provide documentation to the Commission, acknowledged that he instructed
15 HNJ employees to make contributions. Prior to making his written request for an extension of
16 time, Mr. Kazran spoke to Commission staff regarding an extension. During that telephone
17 conversation, Mr. Kazran volunteered that then-candidate Buchanan told him to reimburse
18 employees through company accounts. According to information in the Commission's
19 possession, HNJ employees were given company checks to provide them with funds to make
20 their contributions.

21 This activity raises the question of whether the violations may have been knowing and
22 willful. By contributing \$52,000 of company money to the Committee through other persons,

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1 HNJ disguised itself as the source of the contributions and gave several times the permissible
2 limit over the course of two election cycles. These facts strongly suggest an attempt to
3 circumvent the law.

4 In view of his position as president of HNJ and his apparent involvement in the HNJ
5 reimbursements, there is reason to believe that Sam Kazran knowingly and willfully violated
6 2 U.S.C. § 441f by assisting HNJ in making contributions in the name of HNJ employees and
7 family members. See 11 C.F.R. § 110.4(b)(1)(iii).

8 **III. CONCLUSION**

9 Accordingly, the Commission finds there is reason to believe that Sam Kazran knowingly
10 and willfully violated 2 U.S.C. § 441f.

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